

CONSIDERATIONS
Occasioned by the
South-Sea Company's
B I L L, &c.

The SECOND EDITION.

(Price Six-pence.)

bill read 17 March 1720

CONSIDERATIONS

Occidental by the

Saint-Sauveur's

No. B I



THE SECOND EDITION.

(Lire Six-pence.)

S^t George Great Britain, George I, King

CONSIDERATIONS

B I L L

F O R

Enabling the *South-Sea*
Company to increase their
Capital Stock, &c.

W I T H

OBSERVATIONS of Mr. LAW,
Comptroller General of the Finances of
France.



L O N D O N:

Printed, and Sold by J. ROBERTS in War-
wick-Lane. 1720.

CONSIDERATIONS

Occasioned by the

BILL

FOR

Establishing the South-Sea
Company to incite their
Capital Stock £300,000.

WITH

OBSERVATIONS
On the Finance
and Commerce
of the South-Sea
Company.



London:

Printed and Sold by J. ROBERTSON
Facing Lambeth Bridge.



CONSIDERATIONS

Occasion'd by

*The BILL for enabling the
South-Sea Company to in-
crease their Capital Stock.*



We have been lately put in mind, That the General Interest of a Nation ought to be the Care of particular Men, the main Bent of their Studies, and the chief Pursuit of their Enquiries: and it were to be heartily wish'd, that those whose immediate Care and Business it is, would seriously contemplate the Consequences which may probably befall not only the Commerce, but the Liberties of Great-Britain, by establishing, in a free Government, so powerful a Trading Com-

pany, as the South-Sea Company must necessarily be, with a Capital of above 40,000,000 £. an Annual Income of more than 2,000,000 £. or the Receipt of more than 40,000 £. a Week; besides a Power of coyning Bonds, for what Sum soever the Directors or Managers shall at any Time please.

' Every Man living, says a very worthy Gentleman *, foresees that great Inconveniencies may happen by establishing and uniting so formidable a Society, with such an immense Revenue; and nothing can excuse it, but the Appearance of a greater Good, in putting the Publick Debts in a Method of being honourably paid off, and discharged.' To compass this great End, he freely confesses, ' That he thinks it the Interest of the Kingdom to venture at so bold an Undertaking, even tho' it should give an Opportunity to Stock-jobbers and publick Robbers, to deceive and over-reach some of the King's unwary and industrious Subjects.' But then he very justly observes, ' There ought to be the utmost Security, that

* Letter of Thanks, p. 15.

it will answer the Purposes intended,
and not secure only the Bad Part of
the Project, and lose the Good.

The taking in the Annuities, which is the good Part of the Project to the Government, has been generally thought to be the chief Motive, which induced the House of Commons to accept the South-Sea Company's Proposal, as being *that Part of the Debt* which (we have been so often told) *the Nation Groans under*; And, says the above-mention'd Gentleman, * 'The South-Sea Company have certainly offered more † advantageous Terms to the Publick, provided they offer equal Terms too to bring in the Annuitants, and are contented with their Bargain in the manner it is made; which no one sure can doubt of, it being by their own acknowledgment a very good one; since they in effect declared they were ready to give more, if any others would give as much.'

* Comparison, p. 8, 9.

† Not more than 446,400 l. if all the Annuities are taken in. But if the South-Sea Company do not take them in, and the Bank could, there would be gained to the Publick by the Bank's Scheme more than the others 1,833,600 l. (as is shewn by the Two Schemes stated and compared).

There-

Therefore, adds he, I take the less Notice of the little Jobbing Tricks play'd, and Reports given about the Alley to raise Stock, viz. That New † Advantages are to be given, New Trades annexed; and that since the Publick expect from them to raise such Sums of Money, they must find Means to enable them to do it. Such Artifices and such jugling Proceedings, can never enter into the Thoughts of any Member of that Honourable House which accepted the Proposal. Who can suspect that the Guardians of the Publick Treasure will ever wantonly squander away any part of an advantageous Contract they have made for their Country, and give better Terms than are asked, if these can be performed? And if not, it is still more absurd to imagine that they will reward any Number of Men whatsoever for betraying the Publick, by offering a Project which they could not execute, and disappointing another which could

† The African Trade, Lands belonging to the Crown in St. Christophers, supplying the Kingdom with Naval Stores, &c.

not have miscarried; it will be imbezzeling the Publick Treasure, and increasing our Burthens, instead of lessening them, if we give away not only what is already Money or Wealth, but such Advantages and Privileges as will purchase them from any other Body of Men; for it will be ridiculous to say, any Concessions will cost the Publick nothing, which will hurt or prejudice the Publick, or yield the Publick something.

As it is generally agreed, that the Advantage which will accrue to the Publick by the Acceptance of the South-Sea Company's Proposal, is only from their taking in, and easing the Nation of the Annuities, or the irredeemable Debts; I hope, if so powerful a Trading Company is to be established, that there will be the utmost Security that the Annuitants shall be taken in by the Company, and the Nation eased of the irredeemable Debts: For, says the same Author,

* 'No Member of the South-Sea Company can oppose a Proposition so reasonable, as that they should be obliged

* Comparison, p. 17.

' to declare what Conditions they will
 ' give to the Annuitants, but such who
 ' design not the publick Interest, but
 ' their own ; who intending us a Miss-
 ' issipi Company, would have had vastly
 ' greater Advantages squandered away
 ' for less than * half the Sum which is
 ' now offered, and who have been cook-
 ' ing up a Project for Seven or Eight
 ' Months last past, under the Pretence
 ' of paying off the Publick Debts, but
 ' in Truth to new burthen the Publick,
 ' and enrich themselves ; and who, if
 ' they are let alone, will turn this Design
 ' into a private Job ; and when they
 ' have work'd up their Stock by Manage-
 ' ment to an unnatural Price, will draw
 ' out, and leave the Publick to shift for
 ' it self, till the Season comes round a-
 ' bout again for gathering new Plumbs.

The Publick ought to be first in every
 Man's Thoughts ; and the paying the
 Nation's Debts in the most expeditious
 and most certain Manner, with regard to
 Parliamentary Credit, and the Preserva-
 tion of our Foreign Commerce, ought
 also to be the great Consideration of the
 Legislature ; but the largest Sum of
 Money offer'd by any Society of Men

for

* 3,500,000 l. instead of 7,500,000 l.

for having the National Debts thrown into them, will not compensate to the People of Great-Britain the breach of the One, or the lessening of the Other. And as I conceive no Sum of Money paid to the Publick upon the Condition or in the manner the *South-Sea Company* offer to pay the Sum of 4 or 7 Millions, can in the end be of any real Advantage to the Nation; the Greatness of every Country depending upon the Welfare and Prosperity of its Individuals; it being only when they prosper and grow rich, that the Nation has Wealth and Strength; no Man I presume will say that the Individuals of this Kingdom are made richer by this Project, or consequently that the Nation gains one Penny more real Wealth, or any the least additional Power. On the contrary, it is humbly conceived the Project it self, as it raises *South-Sea Stock*, and other Publick Securities to a Price much above their intrinick Value, or what they were sold for before this Scheme became publick, is very disadvantageous to the Nation, as it gives * Foreigners an op-

* Certain it is that all the Interests we have hitherto paid Foreigners, or shall for the future pay them, is for so much dead Loss to the Nation: For the Principal may

portunity to call their Money out of the Kingdom with very great Profit to other Countries, and a very sensible Loss to Great-Britain ; and as it puts it in their Power to take from us all the Gold and Silver there is in the Kingdom, either in Bullion or in Coyn. For my part, I dread to think, if Foreigners sell out either

must be paid at last, and the Nation is also damnified by so much as such Foreigners shall receive for the Principal, more than they originally advanced for the same. Supposing that there hath been Five Millions of foreign Money in England for the last Seventeen Years, it is then evident the Nation has paid for Interest Five Millions to foreign Nations ; and in Twenty Years more, if so much foreign Money continues here, there will be another Five Millions paid for Interest, and the Principal must also be paid. And if Foreigners, instead of receiving their Interest annually, leave it here to increase, that will be a farther Damage to us ; for then, instead of Five Millions paid by 250,000 l. per Annum in 20 Tears, the Nation would have Eight Millions to pay at the end of that Time. I have supposed the foreign Money in the Funds to be much less than many others imagine it to be ; but even that is too great, and has drained us considerably already : And if there be no Redress for this Evil, it will, like a Canker, eat out the remaining Vitals of the Kingdom, and in Time, (were there no other Balance of Trade against us) must leave us without Gold and Silver.

Mr. Hutcheson.

Note, I wish every Man, who may approve this Project, would consider what this Gentleman here says, and the Condition the Nation must inevitably be brought to, if Foreigners sell out of our South-Sea Stock (when the

ther at present, or at any time hereafter,
at any such Prizes as South-Sea Stock is
now at in *Exchange-Ally*, what a Turn it
must give to all Business, and the Distra-
ction it will bring to all our Affairs.
Who that has any Concern for, or wishes
the future Welfare and Prosperity of his
Country, can approve, or come into a
Method for reducing the Publick Debts,
that carries so great a Probability, if not
a Certainty, of enriching Foreigners,
and beggering the People of Great-
Britain!

This Project to reduce the Publick Debts by a Method that gives Foreigners an Opportunity of carrying their Money out of the Kingdom, with great Advantage to other Countries, and a very sensible Loss to this Nation, ought carefully to be avoided, as being of the last Consequence to a Trading People; for if

the Company's Capital is increased to upwards of 43 Millions) either at 200, (much more at 300, or any higher Price) or have an annual Dividend of 5 or 3 per Cent. (which no Profits by Trade or otherwise, will warrant) over and above the 3 per Cent. paid them by the Government; that is, a Dividend of 10 or 8 per Cent.

our † Money shall be carried out of the Kingdom, our Trade and Business will consequently decrease, Money being as necessary to the carrying on of Trade, as Commerce is to the producing of Riches ; and as the Price of Land, Value of Rents, our home Commodities and Manufactures, rise and fall, as it goes ill or well with our Foreign Trade : so if by the loss of the Exportation of great part of our Product and Manufactures, they sink in Value, and Money does not circulate among the Trading People, there must be a Decrease in all the Publick Revenues : For all Duties of Customs and Excises arise from the Turnings and Windings of the Nation's General Stock ; with which Stock is bought and sold those several Commodities upon which they are laid ; and if our Stock shall actually be so diminished, as that there shall be less Consumption of the Commodities paying Duties, it must follow that the Publick Revenues must decrease in Proportion, and the present Funds cannot answer ; which brings me to offer to Publick Consideration the following Query.

[†] See the Mr. Law's Observations, in the Appendix.

Whether the Establishing a Great General Trading Company within this Kingdom, will Increase or Decrease the Annual Value of our Exports and Imports; and consequently advance or lessen the Duties of our Customs and Excises?

The contemplating this Query will probably shew Mankind whether it is most for the Advantage or Disadvantage of this Nation to Establish the *South-Sea Company*; and in Order to their making some Judgment of it, I shall submit these Queries.

Whether all Trades are not carried on by Companies with greater Prejudice to the Nation, than by private Persons, as they Export less of its Product and Manufactures, and set their own Price upon what they Import, at the Expence of the People of *Great-Britain*?

Whether the more Traders to any Country, there is not more of our Product and Manufactures exported thither; and the greater Quantity of foreign Commodities imported, the Expence is not less to the People of this Kingdom for any such Goods?

Whether if this Company be Established, and are resolved to carry on a Trade to any other Country, they will not have it in their Power, either to ruin every

every Man who trades to it, or to oblige him to leave off Trading thither?

Whether if this Company should enter upon any such Measures, it may not be apprehended many of our Merchants and Manufacturers will go with their Stocks into foreign Countries?

Whether when any Trade is carried on by a Company, any extraordinary Pains is taken to improve it; and if when only by many Persons seperately, their Industry and Ingenuity are not always at work to outvie one another?

Whether it is not to our Ancestors not suffering any Monopolies of Trade to foreign Parts, that we owe the Encrease of our Trade in the Course of One Hundred Years past, and the Extensiveness of our Commerce at present?

Whether our Ancestors Notions of exclusive or Trading Companies, were not that they disabled all other Subjects of the Nation, and debarred them from enlarging the Traffick of it; to the *manifest Impoverishing* of all Owners of Ships, Mariners, Clothiers, Tackers, Spinsters, and many Thousand of Handicraftsmen; besides the *Decrease of the Subsidies, Customs, and other Impositions*; and the *Ruine and Decay of the Navigation*, together with the

the abating the price of *Wool, Cloth, Corn,* and such like Commodities, and *enhancing* those from abroad?

Whether upon the whole, if more of our own *Product* and *Manufactures* are exported, and of Foreign Commodities imported, more of our *Ships and Seamen*, our *Manufacturers and People* of all Trades will not be employed; consequently, if the *Customs and Excises* will not be greatly advanced?

If these Queries are not to be disputed, which I conceive they are not; it will consequently follow, that by the establishing this Company, provided they enter upon Trading, the general Trade of the Nation will soon after so decrease, *That the Funds appropriated to pay the Publick Debts, will be so far from discharging any of the Principal Yearly, as that they will not answer to pay the Annual Interest.*

Before the Establishing so powerful a Body of Men, or such a Trading Company, I conceive the *Legislature* ought to have the utmost Certainty, that what is here suggested or apprehended may not happen; for if ever it should, the Nation would pay dearly in the end for the few Millions which the Company offer to give the Government; it will not be any advantage to the Publick, to lessen its Debts

in two Years by these Millions, and not be able to pay off annually any of the Principal after, nay nor probably have its Duties of Customs, and other Impositions, bring in so much Money as will answer the Annual Interest of the Remainder of the National Debt, which will even then be more than 45 Millions.

If it shall be objected; *What! are the Publick Debts not to be put into a method of being reduced?* I must answer, That I do not write to oppose that, but to oppose the doing it by the South-Sea Company; as conceiving that to engage with them to do it, as their Proposition stands, will be so far from decreasing the National Debt, that it will be more at the end of Seven Years, than even it would be, were it to run on in the Method it is now in; and if it is thought safe and adviseable to throw so many Millions into any one Society, I am still of Opinion, it is most for the Interest of the Nation, that, of the two Schemes, which will soonest effect the End aimed at, (at least pretended to be aimed at by every Man) that is, the discharging the great Debt which the Nation labours under, is the Proposal of the Bank of England; for these Reasons, 1st. Because they have made such an Offer as will certainly induce the Annuitants to come in;

whereas

whereas the *South-Sea Company* have not made them any Offer at all, and it is their Interest not to take them in. *2dly*, Because there is no Danger of their impoverishing and sending our Merchants and Manufacturers out of the Kingdom, and ruining our Planters in *America*, as being under restraints by Act of Parliament, not to carry on any Trade abroad, nor deal in or monopolize any Goods or Merchandise at home. And, *3dly*, Because they will be enabled to supply the Merchants and Traders (to a greater degree than hitherto) with Money on their Personal Securities; whereby the Trade and Business of the Nation will be greatly promoted and encouraged, and consequently the Duty of Customs and Excises considerably advanced.

But as it seems this is not to be thought of, it may not be altogether unnecessary to mention a Method which would probably be more safe and advantagious in the end to the Nation, than taking either of these two great Society's Schemes.

Suppose that a Power were lodged with the Lords of the Treasury, to agree with the Bank of *England* at present, and at all times hereafter till the Publick Debts are paid off, for the Circulation of so many Millions of *Exchequer Bills* as they shall think proper, for the Service of the Pub-

lick, towards reducing the National Debt ; and suppose when this Power is so lodg'd, it were proposed to the *Bank*, *East-India*, and *South-Sea* Companies, for and in Consideration of a larger Term of Years to each, to reduce the Interest they now are paid to *Four per Cent.* from *June* next, and to the Proprietors of the redeemable Debts, to stand reduced at such time likewise to *4 per Cent.* or have their Money paid them, I make no doubt but all would readily come into it ; and if the Debt at *5 per Cent.* or higher be *35 Millions*, there will be saved by a Reduction of their Interest to *4 per Cent.* *350,000 l.* a Year to the Publick, which in Seven Years, or to *June 1727*, the time the Company are to have *5 per Cent.* will, with Allowance for Management, amount in the whole to *2,722,000 l.* and if the whole or any part of the Creditors of the Government should be content with *Three per Cent.* a proportionably greater Saving would be to the Publick.

But the Advantages to the Nation do not wholly centre in such a Saving ; for besides what may be constantly reduced of the National Debts, by the Circulation of some Millions of Money in Exchequer Bills, if it be allow'd the lowering of Interest by Law would promote and increase Trade ; sure I am

am the Lowering of the Interest on the Publick Debts One per Cent. or more than the National Interest is at present, which I see no reason should be alter'd, would be of great Encouragement to Trade; I conceive the Nation would soon find more real Advantages accruing to it, by taking this Method, than in receiving the Millions which the South-Sea Company offers to pay the Government, and in the Publick's being ty'd up to pay the Company an Interest of 5 per Cent. to June 1727.

It may probably be wonder'd, that an Interest of 5 per Cent. should be granted to such time, or that it was not adjusted with the Company at 4 per Cent. from June next, because the very Honourable Person who usher'd their Scheme into the House of Commons, was for the reduction of the National Interest to 4 per Cent. Three Sessions ago; and, if I am not mistaken, when the Scheme was first proposed, it was mention'd as a Foundation and Encouragement for the Company's going thro' with their great Undertaking, to reduce the National Interest to Four, if not Three per Cent. this very Sessions, by Act of Parliament. I hope the Gentlemen of *England* will have that regard for themselves and the Nation, that they will not do a thing so greatly prejudicial to the Trade and Manufactures of their

their Countrey, and the general Interest of Great Britain, as the lowering the * National Interest by Act of Parliament must certainly and infallibly be, whilst any greater, or so high an Interest, is paid by the Government to the South-Sea Company, or any other Society of Men. The doing it may raise the Price of Stocks, but can never encourage Foreign Traffick; it can only tend to depopulate and fetch all Money out of the Country, to encrease the number of Idle People, and the Quantity of Money, in this Great City.

As

* Some think if Interest were lower'd by Law, Trade would Encrease, Merchants being able to employ more Money, and Trade cheaper. Such a Law would have many Inconveniencies; and it is much to be doubted whether it would have any good Effect. Indeed, if Lowering of Interest were the consequence of a greater Quantity of Money, the Stock apply'd to Trade would be greater, and Merchants would Trade cheaper, from the easiness of Borrowing and the lower Interest of Money, without any Inconveniencies attending it. Mr. Law.

I grant Low Interest, where all Men consent to it, is an advantage to Trade, if Merchants will regulate their Gains accordingly, and Men be perswaded to Lend to them. But can it be expected, when the Publick gives 7, 8, or 10 per Cent. that Private Men shall have it for 4? And can there be any thing stranger, than that the same Men who look on, and therefore allow High Use as an Encouragement to Lending to the Chequer, should think Low Use should bring Money into Trade. Mr. Lock.

As I take the National Debt to be upwards of 40,000,000 *l.* besides the long and short Annuities; so I conceive the thinking of proper and effectual Methods how to discharge it in any tollerable Number of Years, had been Employment sufficient for any States-men or other Persons, without entring into any Project which there was great probability, nay almost certainty, would not answer the end proposed; but which would make great Numbers of Men, who have trusted the Publick upon a Parliamentary Sanction, very uneasy, and inevitably unsettle the Affairs of an infinite number of private Families. And tho' it may be thought very inconvenient to the Nation to have the Annuities continue as they are, or to run their Time out; I must believe if we were got rid of the great Debt beside, the Publick would not find the payment of the Annual Sum of 700000 *l.* a great matter, or be in the least uneasy at it; especially when we shall consider, that in a few Years time, part of this Annual Payment is at an End, and that Time will sink the whole. Nay, sure I am, that the People of *Great Britain* will not be uneasy to pay an Annuity, for only a limited time, of 600000 *l.* a Year, who raise and pay at present more than six times that Summ; if we also consider when such

such a Debt as 40,000,000l. shall be paid off, the Trade and Business of the Nation will consequently encrease; and that Taxes within a moderate compass on our Home-Consumption, may not be prejudicial to the Nation, as they will enliven Industry, and hinder Idleness from growing upon the Common People.

I have always thought, that if the Nation could by Purchase be eased of the long and short Annuities, it would be an Advantage to it; and I must own that it will be a great Benefit to the Publick, to be eased of them upon the Foot of the South-Sea Company's Proposal, so no ill Consequences were likely to attend the Kingdom, by throwing so many Millions together, and Establishing a Trading Company: But if it should happen, which I am very apprehensive of, that the appropriated Funds should not answer (as it is computed they will) so as to pay off any part of the Principal Yearly, then the Nation is put into much worse Circumstances than it otherwise was, because those Debts, which Time would have paid off, are hereby made in Effect perpetual. And if the appropriated Funds should not answer to do this, no farther Part of the National Debts will ever be paid off, unless other Taxes are appropriated, or other Methods found out to do it.

i Ever

Ever since I have had any Notion of this Scheme, I have been in some sort of Admiration that it could be ever thought of, much more that it was so easily catch't at, and should so greedily go down with those who exploded Mr. *Hutcheson's* Scheme some Years ago. He proposed (as I remember) that every Man who had a Hundred Pound Principal owing him by the Government, should take 90*l.* for it. Now what do the *South-Sea Company* propose? Why, that the Proprietors of about 30,000,000*l.* or some Persons who are to stand in their place, shall take for every Hundred the Government owes them much less.

In order to prove which, I will suppose that a Person who shall become Proprietor of One Hundred Pound Capital of the 30,000,000*l.* to be ingrafted on the present Stock, shall give 200*l. per Cent* for it, the Profit thereby accruing to the *South-Sea Company* will be 100*l.* of which 100*l. 25*l.** being paid the Government, there will remain to be divided to him and a Proprietor of 100*l.* of the present Capital Stock, *viz.* to the New Proprietor 56*l. 5*s.** and to the present Proprietor 18*l. 15*s.** so that this Person pays, upon this Supposition, to the Publick and the Old Proprietor 43*l. 15*s.** And instead of 10*l. per Cent.* (which Mr. *Hutcheson* proposed) he gives

D

(but)

(but not wholly to the Government) 21*l.*
 17*s.* 6*d.* per Cent. from whence I think it follows, that the present Scheme is not so Just or Equitable as Mr. *Hutcheson's* was; because he proposed as well as the Landed Men and others, as the Creditors of the Government, should pay a Tenth of their Estates, to be regulated according to the Land Tax Act, of 2*s.* in the Pound for the Year 1713. Whereas it is proposed by this Scheme, that only the Proprietors of the long and short Annuities, the Bank and Lottery Annuities, which amount in the whole to about * 30,000,000*l.* or those that shall become Proprietors of that Sum when ingrafted on the present Stock, (supposing they only pay the 7,500,000*l.* to the Government) will pay out of every 100*l.* Principal 25*l.* but the Proprietors of the present South-Sea Stock, the Bank and East-India Company's Stocks not any thing at all. On the contrary, if the first can find any Persons so foolish and inconsiderate, as to give them 200*l.* for every 100*l.* ingrafted Stock, every Proprietor of 100*l.* Capital of the present Stock, will gain from him (over and above the

(*) It would be more Advantage to the 30 Millions to pay the Government the 7,500,000*l.* than to take South Sea Stock at 150 or 200, or any advanced Price above 125.

the 25*l.* he pays the Government) 18*l.*
 15*s.** No wonder that the Expectation of
 making such a Profit as 56*l.* 5*s.* should
 make the present Stock Sell for considera-
 bly more than its intrinsick Worth in *Ex-*
change-Alley: But this is far from being a
 Reason that any Person should give 200*l.*
 or any advanced Price for any new Stock.

Supposing he gives 200*l.* then his 100*l.*
 Capital stands him in 143*l.* 15*s.* for which
 he receives an Annuity of 5*l.* per *Ann.*
 till June 1727, and after that of 4*l.* per
Ann. till he is paid off; but if the Com-
 pany divide more annually, than either the
 5 or the 4 Pound Yearly, it must be gain-
 ed by Trade or otherwise, or else it is on-
 ly dividing so much out of his Principal,
 and when the Government pays him off,
 he receives only 100*l.* back, sinking the
 Principal Sum of 43*l.* 15*s.* which he
 gave over and above.

Now I must think, supposing the Go-
 vernment to pay him off in Ten Years, he
 would act equally as prudent, with regard
 to himself, tho' not to the Publick, if he
 put his 143*l.* 15*s.* into a Bag, and took
 Annually out of it for Seven Years 5*l.* and
 4*l.* Yearly for Three Years, at the end of
 which he will have 96*l.* 15*s.* But he will

* A new Proprietor hereby loses 43*l.* 15*s.* and an
 old one gains 56*l.* 15*s.*

act much more prudently if he puts out his $143 l. 15 s.$ to Interest at 4 per Cent. as he will receive an Annuity of $5 l. 15 s.$ per annum, and have his $143 l. 15 s.$ entire at the end of the said Term. And supposing both to lay up their Annuities, he that buys South-Sea Stock at $200 l.$ will at the end of such Term be Master of $147 l.$ but he who puts his $143 l. 15 s.$ to Interest, will be Master of $197 l. 5 s.$

But to those who shall object, that it is no matter to the Kingdom who among our selves gets or loses, I shall only beg them to consider, whether Common Justice does not teach us, that those should be most taken Care of by the Publick, who are least capable of taking Care of themselves; and likewise to those who may think that the Government or Legislature have no concern in what will befall private Persons by this Scheme, so the Publick receive an Advantage from it, I recommend the reading the following Passages, in *Theatre*, N° XXIII.

‘ Arguments drawn from the Convenience and Profit of the Government, with an Indifference to Justice and Equity, are so far from being proper and just Arguments, that they tend to the real Destruction, rather than the real Good of the Community.

To

' To say some must suffer that the greater Part may be in Prosperity, is as much as to say, a Man who has more Children than he can maintain, may, out of good Husbandry, cut the Throats of two or three, to enable himself the better to maintain the rest: No, the Bread is to be divided equally; and according to the Law of Nature and Reason, every Individual is to live or die upon the equal Distribution.

' The Project is worse than what appears from this Illustration; for instead of destroying the less Number to accommodate the greater, the Project undoes the greater to enrich the smaller Number.

' But if every Man in the Project should come off with Gain, whence will he have got it? It is certain he must have it from the rest of his Countrymen, who must be Losers in the Proportion wherein he is a Gainer.

' Shall a Legislature foresee and enact upon Schemes that have this apparent Tendency? But they say every Man is to take Care of himself; yes, but the Parliament is to preserve every Man in a Condition to do so. But sanctifying such a Scheme as this, is the Sin of Rapine and Oppression; for tho' Men do not aim at, or know who will be hurt by it, yet when they

' know
below

' know some or other will, they should
 ' forbear an Action which must certainly
 ' injure some uncertain Person, or they will
 ' be as guilty as if they directed the Blow at
 ' him.

' If a Man should think fit to divert him-
 ' self by throwing Stones over his House,
 ' into a frequented Street, and knock out
 ' the Brains of a Passenger, whom he never
 ' saw; it would not, neither ought it be
 ' esteem'd Chance-medley, but the wilful
 ' Slaughter of a Man.

' A Gentleman, who has a Vote on this
 ' great Occasion, should remember every
 ' Man in *England* is in his immediate Care:
 ' I say, every Man in *England*, for the
 ' Greatest of all will be most affected by it,
 ' though the Meanest is likely to suffer
 ' more immediately.

' No National Plan can be good, for
 ' which every Man in the Dominions is
 ' not the better, and the best Men the
 ' greatest Gainers.

' Merchants and Tradesmen, Gentlemen
 ' and Yeomen, are the Patrons and Depen-
 ' dants of this Nation, and make up the
 ' main Body of it. But this Project will
 ' expose them to the Oppression of Sharpers,
 ' Usurers, and Extortioners.

If I was not apprehensive of incurring
 the displeasure of those who projected this
 Method of paying the Publick Debts, I
 would

would say it seems to me equally as hard, on part of the Subjects of Great Britain, as ever * raising of Money in France has (in many Instances) been on part of the Subjects of that Kingdom; and I must think it is such a Scheme as ought not to have the Sanction of a Government, whose Foundation is Liberty and Justice.

To Conclude: To have endeavour'd to reduce the Interest of the Publick Debts, in the manner mention'd, was certainly the most honest, and most safe, and undoubtedly would have proved the most advantagious to the Nation in the End; but it must be owned if this Method had been, or were now to be proposed, as no such great Estates had been or would be gained by particular Persons thereby, so Foreigners had not had an Opportunity of calling their Money out of the Kingdom with such vast profit to other Countries, and so

great

(*) The Raising the Money in France is laying a Tax on the People, which is sooner paid, and thought to be less felt than a Tax laid any other way; but this Tax falls heavy on the Poorer sort of People: And as 'tis unjust to raise or allay Money, because then all Contracts are paid with a lesser value than was contracted for; and as it has bad Effects on Home or Foreign Trade, so no Nation practices it, that has regard to Justice, or understands the Nature of Trade and Money. If raising or allaying the Money would add to its Value, or have any good Effect on Home or Foreign Trade, then no Nation would want Money.

Mr. Law.

great a loss to Great Britain; neither had Stock-Jobbing been promoted, to the ruin almost of all Business; nor the Merchants, and Manufacturers of this Kingdom been under their present Apprehensions of having a Company Established, injurious to and destructive of the Trade of Great Britain and its Plantations; nor many true Britons uneasy lest the Liberties of their Country may one time or other be in danger, or the Foundation of the Government shaken; nay, the whole Constitution it self over-turned.

London,
March 22.

1719-20,

A P-

A P P E N D I X.

Observations of Mr. L A W.



SILVER had Qualities which fitted it for the use of Money.

1. It could be brought to a Standard in Fineness, so was certain as to its Quality.
2. It was easy of Delivery.
3. It was of the same Value in one Place that it was in another ; or differ'd little, being easy of Carriage.
- 4: It could be kept without Loss or Expence ; taking up little room, and being durable.

5: It could be divided without Loss, an Ounce in four Pieces being equal in Value to an Ounce in one Piece:

Silver having these Qualities, 'tis reasonable to think it was used as Money before it was coined. What is meant by being used as Money, is, that Silver in Bullion was the Measure by which Goods were valued, the Value by which Goods were exchanged, and in which Contracts were made payable.

He who had more Goods than he had use for, would choose to barter them for Silver, tho' he had no use for it ; because, Silver was certain in its Quality : It was easy of Delivery : It could be kept

E with-

without Loss or Expence : And with it he could purchase other Goods as he had occasion, in Whole or in Part, at Home or Abroad ; Silver being divisible without Loss, and of the same Value in different Places.

As Money encreas'd, the Disadvantages and Inconveniences of Barter were remov'd ; the Poor and Idle were employ'd, more of the Land was labour'd, the Product encreas'd, Manufactures and Trade improv'd, the Landed-men lived better, and the People with less dependance on them.

Domestick Trade depends on the Money : A greater Quantity employs more People than a lesser Quantity. A limited Sum can only set a number of People to work proportioned to it, and 'tis with little Success Laws are made for employing the Poor or Idle in Countries where Money is scarce ; good Laws may bring the Money to the full Circulation 'tis capable of, and force it to those Employments that are most profitable to the Country : But no Laws can make it go further, nor can more People be set to work, without more Money to circulate, so as to pay the Wages of a greater number. They may be brought to work on Credit ; and that is not practicable, unless the Credit have a Circulation, so as to supply the Workmen with Necessaries ; if that's suppos'd, then that Credit is Money, and will have the same effect on Home and Foreign Trade.

An Addition to the Money adds to the Value of the Country. So long as Money gives Interest, it is employ'd ; and Money employ'd brings Profit, tho' the Employer loses.

An Addition to the Money, whether the Employer gains or not, adds to the National Wealth, eases the Country of a number of Poor or Idle, proportioned to the Money added, enables them to live better, and to bear a share in the Publick with the other People.

The

The first Branch of Foreign Trade, which is the Export and Import of Goods, depends on the Money. If one half of the People are employ'd, and the whole Product and Manufacture consum'd; more Money, by employing more People, will make an Overplus to Export. If then the Goods imported ballance the Goods exported, a greater Addition to the Money will employ yet more People, or the same People before employed to more Advantage; which by making a greater or more valuable Export, will make a Ballance due. So if the Money lessens, a part of the People then employed are set idle, or employed to less Advantage; the Product and Manufacture is less, or less valuable, the Export of Consequence less, and a Ballance due to Foreigners.

As Trade depends on Money, so the Encrease or Decrease of the People depends on Trade. If they have Employment at Home, they are kept at Home; And if the Trade is greater than serves to employ the People, it brings more from Places where they are not employ'd. Sir William Petty values a Man at 20 Years purchase; by that Computation a Seaman, whose Wages is 40s. a Month, is valued 480l.

National Power and Wealth consists in Numbers of People, and Mazagines of home and foreign Goods. These depend on Trade, and Trade depends on Money. So to be powerful and wealthy in Proportion to other Nations, we should have Money in proportion with them; for the best Laws without Money cannot employ the People, improve the Product, or advance Manufacture and Trade.

Trade and Money depend mutually on one another; when Trade decays, Money lessens; and when Money lessens, Trade decays. Power and Wealth consist in Number of People, and Magazines of home and foreign Goods; these depend on Trade, and Trade on Money. So while Trade and Money may be affected directly and consequentially, what is hurtful

hurtful to either, must be so to both : Power and Wealth will be precarious.

When Manufacture and Trade prospers, the Landed-man's Rent is well paid, and increases ; when they decay, his Rent is ill paid, and decreases.

The Example of another Nation ought not to determine us to follow the same Measures, without examining whether that Nation was the better or the worse by such Measures, and whether our Circumstances and theirs don't differ so, as to make that hurtful or ineffectual to us, which was of Advantage to them.



